

**STATE OF NORTH DAKOTA**  
**BEFORE THE COMMISSIONER OF INSURANCE**

<b>In the Matter of</b>	)	
	)	
<b>Nodak Mutual Insurance Company,</b>	)	<b>CONSENT ORDER</b>
<b>FEIN 45-0216631,</b>	)	
	)	
<b>Respondent.</b>	)	

Commissioner of Insurance Jim Poolman (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D. Cent. Code Title 26.1 and N.D. Cent. Code § 28-32-05.1.

2. Nodak Mutual Insurance Company, FEIN 45-0216631 (hereinafter "Respondent"), is a domestic mutual insurance company incorporated under N.D. Cent. Code Chapter 26.1-12 and at all times material hereto has held a valid Certificate of Authority to transact insurance business within this state.

3. The Commissioner has jurisdiction over Respondent and the subject matter of this Consent Order and this Consent Order is made in the public interest.

4. N.D. Cent. Code § 26.1-04-03 states, in part:

The following are unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

...

5. ... Making any false entry in any book, report, or statement of any person with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom the person is required by law to report, or who has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to the business of the person in any book, report, or statement of the person.

- ...
12. Misrepresentation in insurance applications. Making false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, insurance producer, or individual.

5. Respondent, through its agents and other employees, sold and issued crop hail insurance policies to customers for coverage on land that was not in North Dakota and most often in either South Dakota or Minnesota. In the crop insurance application, Respondent, through its agents and other employees, allegedly used the legal description for the land in South Dakota or Minnesota, but falsified the location of the land as being in North Dakota. Respondent's practice of changing the application to show that the land is located in North Dakota is in violation of N.D. Cent. Code § 26.1-04-03(5) and (12).

6. As a result of alleged conduct of Respondent, the Commissioner has considered a formal hearing to determine whether Respondent's conduct as alleged constitutes a basis for imposition of a civil penalty or other action by the Commissioner.

7. Respondent agrees to an informal disposition of this matter, without hearing, as provided under N.D. Cent. Code 28-32-05.1.

8. For purposes of resolving this matter without further administrative proceedings, Respondent and the Commissioner have agreed to the entry of the following Order:

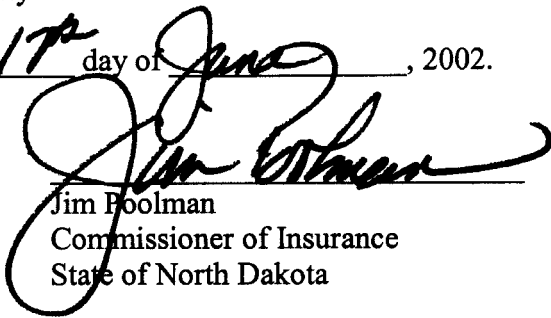
NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent shall pay a fine in the amount of \$1,000. This fine will be due within 15 days of the execution of this Consent Order. The Commissioner notes in mitigating the amount of the fine that the Respondent voluntarily disclosed the violation to the Commissioner.

2. The use of this Consent Order for competitive purposes by an insurance agent or agency holding a license in the State of North Dakota, or by any company holding a Certificate of

Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 17<sup>th</sup> day of June, 2002.

  
Jim Poolman  
Commissioner of Insurance  
State of North Dakota

### CONSENT TO ENTRY OF ORDER

The undersigned, Jon M Livers, on behalf of **Nodak Mutual Insurance Company**, states that he/she has read the foregoing Consent Order, that he/she knows and fully understands its contents and effect; that he/she has been advised of his/her right to be represented by legal counsel, his/her right to a hearing in this matter, his/her right to present evidence and arguments to the Commissioner, and his/her right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order he/she waives those rights in their entirety, and consents to entry of this Order by the Commissioner of Insurance. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

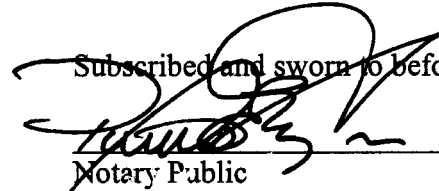
DATED this 7<sup>th</sup> day of June, 2002.

Nodak Mutual Insurance Company

By:

Jon M Livers  
Name

Executive V.P. CEO  
Title

  
Subscribed and sworn to before me this 7<sup>th</sup> day of June, 2002.

Notary Public

My commission expires:

